

HOUSING AUTHORITY of the County of Los Angeles

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Carlos Jackson
Executive Director

September 9, 2003

Honorable Board of Commissioners Housing Authority of the County of Los Angeles 383 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, California 90012

Dear Commissioners:

APPROVE ISSUANCE OF REQUEST FOR QUALIFICATIONS TO IDENTIFY A
DEVELOPER TO PURCHASE, REHABILITATE AND OPERATE UJIMA
VILLAGE HOUSING DEVELOPMENT IN UNINCORPORATED
WILLOWBROOK (2)
(3 Vote)

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Executive Director of the Housing Authority to issue a Request for Qualifications (RFQ), leading to the selection of an experienced, qualified developer to purchase, rehabilitate and operate the 300-unit Ujima Village multifamily housing development, located at 941 East 126th Street in unincorporated Willowbrook.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to approve the issuance of an RFQ soliciting qualification statements from developers interested in purchasing, rehabilitating and operating Ujima Village.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

In 1995, the Housing Authority purchased Ujima Village for \$1.00 from the U.S. Department of Housing and Urban Development (HUD), in order to retain affordable multifamily housing in unincorporated Willowbrook. Ujima Village contains 34 residential buildings on 16 acres, comprised of 300 units housing a total of 666 residents. Additional facilities include: management and maintenance offices; a family resource center; a family learning center; and the Magic Johnson Inventor Center, a state-of-the-art computer-learning and educational center for children and adults. There are also outdoor play yards, laundry rooms, and a multipurpose community center.

The complex is 32 years old and in need of substantial rehabilitation, including lead and asbestos abatement, replacement of the utility infrastructure, repair or replacement of electrical systems, and other improvements. Ujima Village is not eligible for the HUD Capital Grant Program. There are funds available to complete the substantial rehabilitation required, but these sources, including tax credits, tax-exempt bonds and HUD-insured mortgages, are designed for private developers, not public agencies. It is being proposed that ownership be transferred to either a non-profit or for-profit developer with the resources and experience to complete all necessary rehabilitation and continue operating the development as affordable rental housing. It is anticipated that no permanent relocation will be required as a result of this transfer.

The Housing Authority will issue an RFQ within the next 30 days to solicit statements of qualifications from developers interested in purchasing, rehabilitating and operating Ujima Village. The Housing Authority will seek developers with the ability to assemble and manage a development team. Developers must also possess sufficient capacity, experience and successful track records in financing and completing developments of similar type, as well as an ongoing commitment to owning, improving and managing Ujima Village.

The evaluation process will include: review for completeness of submissions and consideration of statements of qualifications; evaluation and scoring by a panel of outside consultants for the selection of up to three finalists; and final selection of the most qualified developer by a committee comprised of representatives from the Housing Authority, the Ujima Resident Council and others with experience in the development and operation of affordable multifamily housing and related areas.

The name of the identified developer will then be presented to your Board and approval requested to enter into an Exclusive Right to Negotiate. This negotiation process between the developer and the Housing Authority will set the purchase price, as well as the scope of development, including terms and conditions for the rehabilitation, operation and long-term ownership of the site. The Housing Authority

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will then return to your Board to request approval of a Disposition and Development Agreement with this developer, which will also include covenants restricting the use of the project as low-income housing.

Residents of Ujima Village have participated in the process leading up to the proposed RFQ by attending meetings where they were informed of the proposed sale, advised of the content of the proposed RFQ, and given the opportunity to offer comments. There has also been ongoing outreach with the Ujima Village Resident Council, including input on the design of the RFQ.

County Counsel has reviewed this letter. At its meeting of August 27, 2003, the Housing Commission recommended approval of this action.

IMPACT ON CURRENT PROGRAM:

Approval of the issuance of the RFQ will enable the start of a process to transfer ownership of Ujima Village, which will provide for the rehabilitation and continued operation of this low-income rental housing development within the County.

Respectfully submitted,

CARLOS JACKSON Executive Director